

ASSEMBLY BILL

No. 2750

**Introduced by Committee on Labor and Employment
(Roger Hernández (Chair), Alejo, Chau, Gomez, and Holden)**

March 13, 2014

An act to amend Labor Code Section 2055, relating to car washes.

LEGISLATIVE COUNSEL'S DIGEST

AB 2750, as introduced, Committee on Labor and Employment. Car washes.

Existing law regulates the employment practices of car washes and requires employers of car washers to register with the Labor Commissioner and pay a specified registration fee, or be subject to a specified civil fine. Existing law also requires employers of car washers to post a \$150,000 bond for the benefit of the state to compensate employees damaged by the employer's nonpayment of wages, except as specified.

This bill would make nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2055 of the Labor Code is amended to
- 2 read:
- 3 2055. The commissioner ~~may~~ *shall* not permit any employer
- 4 to register, nor may the commissioner permit any employer to
- 5 renew registration, until all of the following conditions are satisfied:

1 (a) The employer has applied for registration to the
2 commissioner by presenting proof of compliance with the local
3 government's business licensing or regional regulatory
4 requirements.

5 (b) The employer has obtained a surety bond issued by a surety
6 company admitted to do business in this state. The principal sum
7 of the bond shall be not less than one hundred fifty thousand dollars
8 (\$150,000). The employer shall file a copy of the bond with the
9 commissioner.

10 (1) The bond required by this section shall be in favor of, and
11 payable to the people of the State of California and shall be for
12 the benefit of any employee damaged by his or her employer's
13 failure to pay wages, interest on wages, or fringe benefits, or
14 damaged by violation of Section 351 or 353.

15 (2) Thirty days ~~prior to~~ *before* the cancellation or termination
16 of any surety bond required by this section, the surety shall send
17 written notice to both the employer and the commissioner,
18 identifying the bond and the date of the cancellation or termination.

19 (3) An employer ~~may~~ *shall* not conduct any business until the
20 employer obtains a new surety bond and files a copy of it with the
21 commissioner.

22 (4) This subdivision shall not apply to an employer covered by
23 a valid collective bargaining agreement, if the agreement expressly
24 provides for all of the following:

25 (A) Wages.

26 (B) Hours of work.

27 (C) Working conditions.

28 (D) An expeditious process to resolve disputes concerning
29 nonpayment of wages.

30 (c) The employer has documented that a current workers'
31 compensation insurance policy is in effect for the employees.

32 (d) The employer has paid the fees established pursuant to
33 Section 2059.